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Acting CIA Chief Says He Won't Tolerate NSC Involvement Again in Covert Acts

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WASHINGTON—The acting director of the Central Intelligence Agency testified that he wouldn't "tolerate" any involvement again by the National Security Council staff in covert intelligence operations.

Robert Gates, President Reagan's nominee to succeed former CIA Director William Casey, also told senators that he privately advised Mr. Casey in September that the then-secret, NSC-directed arms sales to Iran be ended. Mr. Gates at the time was the CIA's deputy director.

"I thought the entire activity should be called off," said Mr. Gates. While refusing to comment on Mr. Casey's response, Mr. Gates said the former director was less "enthusiastic" about the Iran initiative than has been portrayed publicly.

Accord With Israel

Mr. Gates's comments came as the Senate Intelligence Committee ended two days of public hearings on his nomination to succeed Mr. Casey, who resigned this month after surgery for cancer. The committee is expected to postpone any action on the matter until a special White House commission reports later this month on the Iran-Contra affair. But after a rocky start, the 43-year-old career CIA official is favored to win the panel's approval.

The hearing came as Israel reached agreement with House and Senate committees allowing congressional investigators probing the Iran-Contra affair to receive testimony relevant to their inquiry from certain Israelis. The compromise requires written questions and answers at the outset, but gives the two panels additional freedom to later follow up directly through senior congressional staff.

"We will respect their [Israel's] sovereignty and sensitivity, and they will respect our need for information," said House Speaker Jim Wright (D., Texas) after a late afternoon meeting that included Israel's Prime Minister Yitzhak Shamir and the chairmen of the two committees.

Chronology of Contacts

The agreement calls for Israel to provide a chronology of contacts relevant to the Iran-Contra affair between its government officials and agents and those of the U.S. The House and Senate committees will prepare written questions to be forwarded to Israel through Secretary of State George Shultz, and senior committee staff will be allowed to travel if necessary to Israel with follow-up questions.

The arms-sale controversy has led to bad feelings between Washington and Jeru-

salem. Israel has insisted that an orderly process be established for any U.S. investigation involving its officials or agents.

"It isn't a question of shielding private individuals," Mr. Shamir explained later. "It's a question of representatives of the government involved in a joint operation The Israeli government is responsible for their actions."

Chairmen's Other Affiliations

Participants described the meeting between Mr. Shamir and the lawmakers as amicable. The two chairmen of the investigating committees are politically very important to Israel. Rep. Lee Hamilton (D., Ind.), the House committee's chairman, also heads the House Foreign Affairs subcommittee on the Mideast and Europe. His Senate counterpart, Sen. Daniel Inouye (D., Hawaii), also is chairman of the Senate Appropriations Committee's foreign operations subcommittee, which handles foreign economic and military aid.

The Senate hearings on Mr. Gates's confirmation offered an unusual public view of the CIA. Mr. Gates was forced to admit to major gaps in his own knowledge of the Iran initiative. On both that and the administration's Central America policy, he said he deferred to Mr. Casey.

And despite concern that funds from the Iran arms sales were being diverted to the Nicaraguan insurgents, Mr. Gates acknowledged that he had never directly asked then National Security Council adviser John Poindexter about the matter. "I wasn't in the lead in those positions," he said.

Guidelines Violated

An internal CIA investigation has found at least one case where an agency official, the Costa Rica station chief, violated CIA guidelines governing assistance to the Contras, Mr. Gates said. The same station chief had frequent contacts with former National Security Council staff member Marine Lt. Col. Oliver North, who oversaw the private Contra supply network from within the White House and played a lead role in the Iran operation.

Mr. Casey appears to have had more contact with Col. North than did Mr. Gates. The former director's involvement with Col. North remains a central issue in investigations into National Security Council operations—including the Iran arms sales and efforts to aid the Nicaraguan Contras.

Congressional intelligence committees are investigating whether the White House

used the NSC to circumvent reporting requirements covering such intelligence agencies as the CIA or Defense Department. There also has been frustration within the CIA with the operational role given the NSC.

'Serious Mistake'

Mr. Gates said it was a "serious mistake" to use the NSC in such a manner. "I wouldn't tolerate the NSC being involved in operational intelligence activities," he said.

Mr. Gates said he had no specific knowledge of CIA involvement in a so-called "Project Democracy" initiative mentioned in Col. North's memos. The Reagan administration established a publicly funded project of the same name in 1982 to foster democratic ideas abroad, but it is possible Col. North used the name to describe the covert network of private corporations and individuals used in the Iran arms sales and Contra supply network.

Mr. Gates said he could recall only that Mr. Casey had once indicated that the agency would have no involvement in an activity of a similar name, but he said he has asked his inspector general, an internal CIA watchdog, to make further inquiries.